

**26 April 1960**

MEMORANDUM FOR: Comptroller

FROM : Acting Chief, Finance Division

**SUBJECT : Effect of Reduction in Personnel**

1. The following paragraphs contain comments regarding the probable effect on operations of the Finance Division should a reduction in personnel occur.
2. The immediate effect of a decrease in employees would be a return to work performed on an overtime basis. Further, any appreciable demands on the Division will undoubtedly result in a further return to a general serious backlog problem. Overtime is the only alternative if we are to maintain proper financial records and control.
3. Specific comments regarding increasing workload of each major Branch of the Division follows:

## Accounts Branch

- a. At the present time there are [redacted] installations submitting a total of twenty-five monthly Type I FPA reports to Headquarters for analysis, reconciliation and recording in the Agency property accounts. Since this is a new procedure, it contains a number of weaknesses and is constantly being revised. A nucleus of trained employees is necessary for the proper accomplishment of this task.
- b. The Type II property procedure was placed in effect on a gradual basis beginning in November 1958. Since that time, [redacted] stations have installed the procedure and the opening inventories have been recorded in the Headquarters property accounts. Six additional installations have yet to report their opening inventories. While it is too early to make a relatively accurate appraisal of the workload increase, it is evident from the annual value dollar reports received that considerable time will be required to analyze and adjust Headquarters accounts with the property records maintained at the installations.
- c. The number of confidential fund obligations paid with non-DCI certified treasury checks has continued to increase. Approximately 30% of these represent payments to the [redacted] Under Comptroller Instruction 71, effective

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1 July 1959, all billings from the Armed Services are paid immediately upon receipt and passed to the Finance Division for further processing. This procedure had two objectives: The payment of bills without extensive delays, and the elimination of certain processing functions being duplicated by Fiscal and Finance Divisions. While the objectives were achieved, the workload in this Branch has increased considerably.

- d. [REDACTED] has increased during the past three fiscal years in [REDACTED] detail required concerning reimbursable charges, and as to the number and type of financial schedules required by participating activities.
- e. The procedure for processing reimbursement vouchers for military details was revised effective 1 July 1959 and the Finance Division was made the focal point for receiving and disseminating listings of personnel on detail.
- f. Comptroller Instruction No. 72, effective 1 July 1959, provides for distributing costs of books, publications, and printing services to the benefiting components.

#### Operations and Liaison Branch

- a. In August of 1959, this Branch was assigned the additional responsibility of processing and auditing all transportation billings. This was a tremendous task inasmuch as some of the billings forwarded had been backlogged for more than a year. Considerable time has been required to install efficient operating procedures for the expeditious processing of these billings.
- b. Effective October 1959, this Branch was given the responsibility for preparing certain monthly cost accrual vouchers. Presently this activity requires approximately 50 man hours each month.
- c. During the past year an effort has been made to increase the liaison function with the Agency components, particularly as it applies to the briefing of agent personnel on all financial matters. Although highly desirable from an Agency standpoint, and we feel extremely beneficial to agent personnel, it is a time-consuming function which would have to be limited, if not curtailed, in the event of a reduction in present authorized strength.

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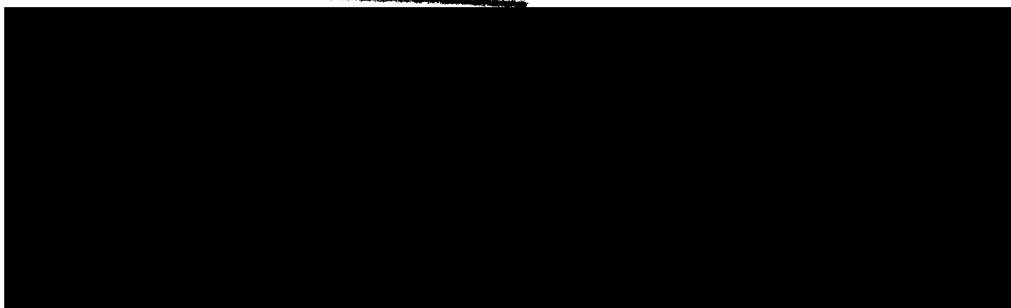
- d. Any increase in workload, with a decrease in personnel, will undoubtedly bring about a situation which will endanger our ability to maintain workloads under the control necessary to adequately safeguard Agency interests.

Monetary Branch

- a. Demands for expert assistance, advice, and participation in covert funding operations has shown a steady increase from month to month. The expansion of the covert funding activities constitutes a considerable workload increase. We cannot hope to discharge our responsibility in this specialized field without adequate numbers of well-trained experts in this field.

Compensation and Tax Accounts Branch

a.



- b. In July 1960, a system of collecting, recording, and paying premiums for the new government Hospitalization Program will be installed. This activity will concern all Staff Employees and Staff Agents.
- c. Procedures and methods relating to the conversion of Confidential Funds Payroll to the RCA Computer System are being developed.
- d. Procedures for maintaining leave records mechanically are also being developed. These procedures will require the maintenance of official records of compensatory time at Headquarters rather than in the field as is the current practice.

4. The Finance Division is presently responsible for staffing overseas positions. During 1960, incumbents of these positions will complete tours of duty. Of this number, employees will return to Headquarters and are either extending their present tour or returning for an additional two years. Two new finance requirements are of these replacement requirements occur from May to July.

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5. Because of the necessity to provide an overlap in the field, plus travel and home leave time of the returnee, a minimum of three to four months elapses before the vacancy at Headquarters can be filled. Since the majority of field requirements occur between May and July, on-board strength is lowest during these vital months. Acquainting the returnee with changed or new procedures at Headquarters requires an additional period of reorientation.

6. In addition to normal rotation plans, three employees of Finance Division are assigned to a special Task Force, three are on TDY, with requirements for three more individuals to be assigned TDY overseas to assist stations whose finance officer will be on home leave prior to a second tour.

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7. At the present time, the Finance Division has an actual on-board strength of [REDACTED] (This figure does not include individuals processing for an overseas assignment, on detail, or extended TDY.) Since the authorized T/O for this Division contains [REDACTED] positions, this results in the loss of the services of 28 employees. Of the [REDACTED] employees presently at Headquarters, only [REDACTED] can qualify or are otherwise available for finance assignments overseas. Should additional requests for personnel arise, it would seriously drain the already depleted manpower of the Branches. This is particularly true in Compensation and Tax Accounts Branch, where shortage of personnel would result in serious backlogs and delay in processing pay accounts of the various categories of personnel.

8. Efforts to comply with the Agency training program has the effect of further reducing available employees. All of these requirements reduce Branch and Division effectiveness in planning normal absences of employees due to annual or sick leave.

[REDACTED] 25X1A

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